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Winthrop Succeeds with Tuition Cap While New State Cuts May Be Ahead

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Winthrop Succeeds with Tuition Cap While New State Cuts May Be Ahead

Quick Facts

- Tuition and fees will go up 8.3 percent for the fall semester.
- If legislators impose mid-year cuts, tuition and fees might increase in the spring.



President Anthony
DiGiorgio

ROCK HILL, S.C. - The good news for **Winthrop University students and parents** is that officials were able to trim their **spending plan** enough to keep **tuition and fee increases for Fall 2008** a bit below a self-imposed cap, despite a reduction in state funding support this year. The bad news is that **state revenue projections** in Columbia are still in flux, with legislators last week signaling additional cuts for all state agencies may lie ahead.

That's the situation outlined this morning by **Winthrop President Anthony DiGiorgio**, who spoke to members of the **Board of Trustees** executive committee in a telephone conference call meeting set to finalize tuition and fees in time for bills to be sent to parents next week.

By continuing to work through the past several days to pare university spending, administrators were able to obtain trustee approval for tuition increases of **7.4-8.3 percent for Fall 2008**. That's four-tenths of a percent below the 8.7 percent cap Winthrop placed on itself June 24. The final fee plan means the 90 – plus percent of incoming freshmen who live on campus will see overall semester costs increase **7.4 percent (\$595) to \$8,600**, while commuter in-state students, who pay academic costs only, will see an **8.3 percent (\$425) increase, bringing their bill to \$5,530** for the semester.

But budget wrangling may not be over completely. **State legislators** met for a one-day veto session last week and foreshadowed possible additional cuts to come by authorizing their leadership to call them back into session before Oct. 30 if statewide revenue estimates continue to trend down, or if **Governor Mark Sanford** vetoes additional appropriation legislation adopted to fund school bus fuel costs and November election costs.

"To be totally forthcoming," DiGiorgio said, "we're concerned by the sound of that. It means state officials believe **sales tax revenues could continue to slide**, even during summer tourist season. Since sales tax revenue is the base on which the General Assembly has built much of this budget, that's a problem. If state officials order major mid-year operating budget cuts, we may have to **revisit tuition and fees for Spring 2009**. Meanwhile, we'll temper our operational spending accordingly. **Capital project construction and improvements will go forward, however, because they were funded some years back**. We want to be sure everyone understands that."

DiGiorgio said the public should understand the impact declining state support has on higher education: "In 1990, when most of this year's entering freshmen were born, the **state provided about 44 percent of Winthrop's funding**, while this year, we'll be receiving **only 18 percent of our funds from the state**." Data compiled from the Southern Regional Education Board shows that **South Carolina provides institutions just \$4,767 per full-time student**, while North Carolina provides \$9,237 and Georgia provides \$7,736 – and that was before recent S.C. cuts in support are factored in. South Carolina higher education officials say that differential accounts for higher tuition costs to

families.

On top of that decline, the state’s budget this year reduced all institutions’ funding support, including a **3.13 percent loss** for Winthrop. That means the **Winthrop budget** for the fiscal year beginning July 1 has to address the **state’s growing structural inequity**, plus the new cuts, inflation, unfunded state-mandated expenditures, and three major Winthrop needs that are classified as “mission-critical.”

In that category, the university is dealing with the fact that vendors soon will no longer be providing support service for the **aging campus administrative computing system** – the system that supports student registration, academic records, and accounts, as well as Winthrop’s business systems, such as purchasing, accounting, personnel records, and other “mission-critical” operations. Winthrop has been setting aside some funds annually toward eventually replacing the **16-year-old system**, but now will have to do so ahead of schedule. That will take **\$895,000 in capital costs** and **\$350,000 in annual support service fees**.

Given the urgency of those expenses, Winthrop will draw on a **capital reserve account** – maintained as a contingency fund for construction and emergency repair needs – to cover that expense, without imposing a fee increase for that purpose. Those funds also will be tapped to replace an **unpatchable leaky roof on the campus library**. Using capital reserves for that will free all proceeds of student library fees this year to go to other library needs, including access to on-line data bases and specialized research journal subscriptions that would have been lost due to a **90-percent state reduction in funding** for the **state electronic academic library partnership**.

Other tuition and fee charges will be dedicated to covering **state cuts, inflation impacts, additional security and emergency notification improvements**, and **an unfunded state mandate to provide a 1 percent salary increase to all eligible Winthrop employees**. The amount the state provides toward that increase falls about **\$286,000 short of full funding**.

In addition, DiGiorgio said he and the board are concerned that the small size of the state’s salary increase does not address inflation’s drain on employee earnings, making it more difficult for Winthrop to retain talented individuals at every level of university operations.

DiGiorgio indicated that in the **private sector**, human resource firms that track such things are reporting an average **3.8 percent increase in 2008 salaries among 1000 leading firms across the U.S.** – and that’s still below the inflation rate for the year. The federal government in January announced a **national average salary increase for civil servants of 3.5 percent**, with those residing in metro areas that have higher relative costs receiving an extra percent.

“A higher education enterprise is largely organized around personnel services, with high quality expectations,” DiGiorgio said. “The Winthrop team exceeds those expectations routinely, so I have recommended to the board that our budget plan include tuition resources necessary to support an additional 2 percent salary increase at mid-year, so that Winthrop employees don’t fall too far behind on the inflationary curve. My preference would be that we provide that increase sooner, but doing so would not be prudent in these circumstances.” If state officials order institutions to give back some of their funding mid-fiscal year, DiGiorgio said the salary increase amount and timing may have to be re-evaluated.

DiGiorgio will not benefit from the increase, since state agency heads’ salary increases involve a multi-step approval process that has not been completed in Columbia in almost two years.

Winthrop’s fall semester will begin with **convocation ceremonies on Aug. 25**.

For more information, contact Rebecca Masters, assistant to the president for public affairs, at 803/323-2225.

To check for tuition and fees costs on Winthrop’s Web site, visit <http://www.winthrop.edu/cashiers/default.aspx?id=2214>.

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